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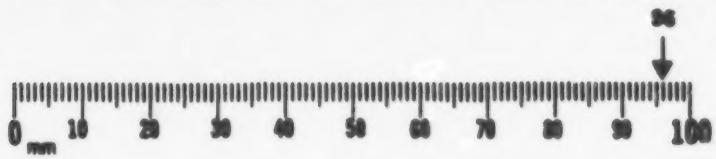

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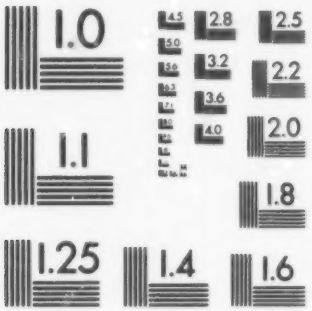

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Government of Saskatchewan

Annual Report 1987-88

Saskatchewan Education

Student Aid Fund

The thirty-ninth Annual Report of the Saskatchewan Student Aid Fund

for the period from April 1, 1987 to March 31, 1988

90-05609/

Letters of Transmittal

The Honourable Sylvia Fedoruk
Lieutenant Governor
Province of Saskatchewan

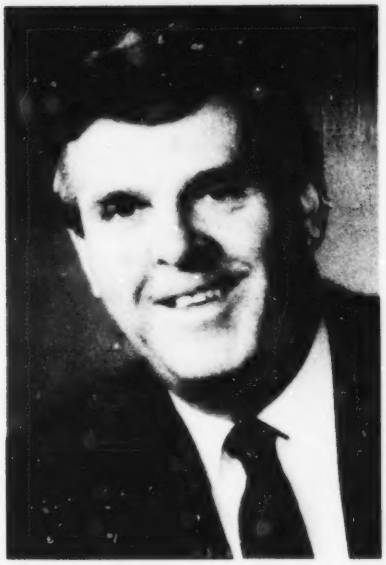
Madam:

I have the honour of submitting the annual report of the Saskatchewan Student Aid Fund for the year ending March 31, 1988.

Respectfully submitted,

Ray Meiklejohn

Ray Meiklejohn
Minister of Education



The Honourable Ray Meiklejohn
Minister
Saskatchewan Education

Sir:

I have the honour of submitting the annual report of the Saskatchewan Student Aid Fund for the year ending March 31, 1988.

Respectfully submitted,

Eleanor Rourke

Eleanor Rourke
Deputy Minister
Saskatchewan Education

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Introduction

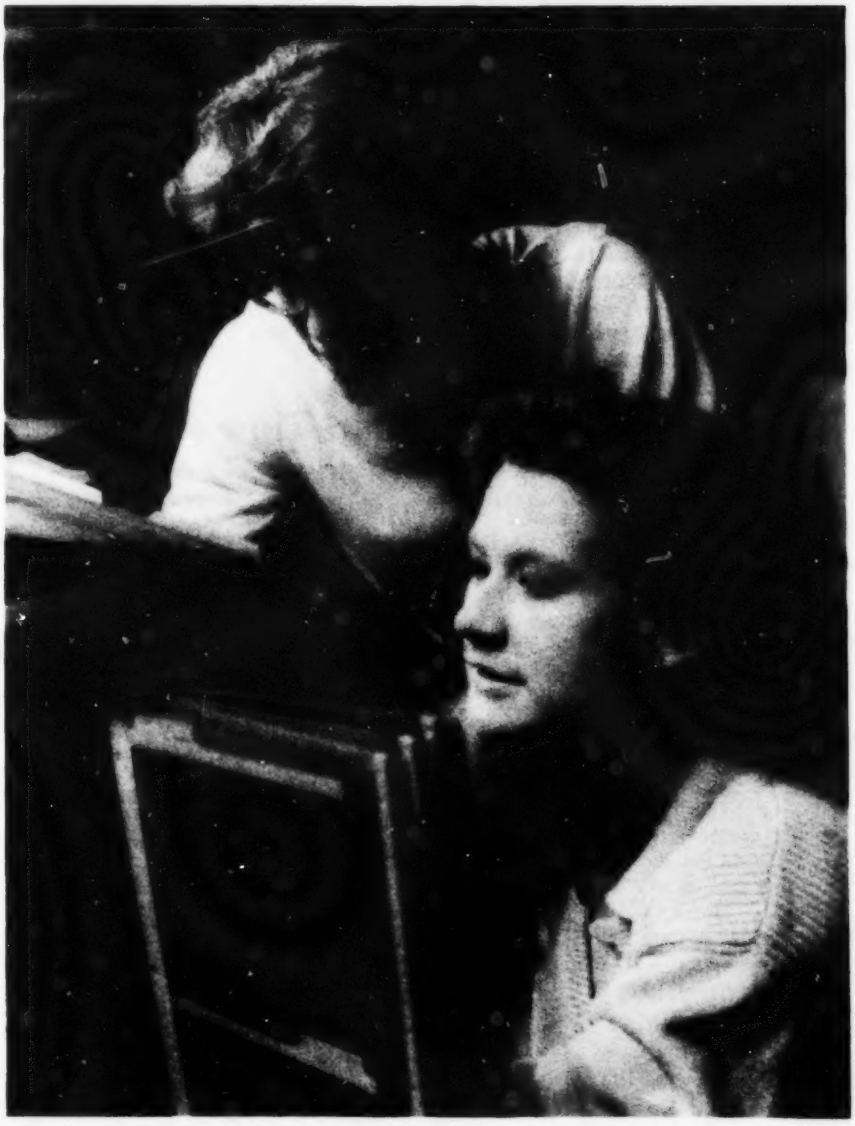
The Saskatchewan Student Aid Fund was established by the provincial government in 1949 to provide financial assistance to Saskatchewan's post-secondary students. The government's initial investment in the fund was $1 million. Today the annual grant is almost $14 million, and a wide range of programs are available to help students obtain various forms of post-secondary education.

The fund is administered by a Board of Trustees consisting of the Deputy Minister of Education, the Deputy Minister of Finance, and one other person appointed by the Lieutenant Governor in Council on the recommendation of the Minister of Education.

This annual report reviews all lending activity administered by the Student Financial Services Unit of Saskatchewan Education in 1987-88, along with activities funded through the Student Aid Fund. Included are the Canada Student Loans Program, the Saskatchewan Student Loans Program, Special Incentive Loan Supplement, Loan Remission for Special Incentive Students, Loan Forgiveness, the Interest Write Down Plan, the Interest Relief Plan, and other scholarships and awards.

Highlights during 1987-88 included:

- amalgamation of all provincial student assistance programs under the umbrella of the Saskatchewan Student Loans Program, with a common set of loan criteria more readily understandable to students;
- standardization of the Saskatchewan Student Loans Program criteria with those of the Canada Student Loans Program to simplify the assessment process;
- conversion of bursaries to forgivable loans, with forgiveness contingent on successful completion of courses, and targeted only to high need and disadvantaged students;
- replacement of the $3,000 ceiling on the Saskatchewan Supplementary Loans Program with a weekly provincial loan maximum of $75 to provide assistance to students in longer courses; and,
- introduction of a provincial Interest Relief Plan to assist students having difficulty repaying their Saskatchewan Student Loans due to unemployment, temporary disability or other extenuating circumstances.



Student Loans

Canada Student Loans Program

The Canada Student Loans Program was introduced by the federal government in 1964 to provide loans to post-secondary students. To qualify for assistance, loan recipients must be full-time students enrolled at designated post-secondary institutions in programs more than 11 consecutive weeks in duration.

Although this is a federal program, the Student Financial Services Unit of Saskatchewan Education is the designated issuing authority for the Province of Saskatchewan. This program provides eligible students with loans to a maximum of $105 per week of study. In 1987-88 a total of $52,506,182 was authorized to 18,078 students.

After Student Financial Services has determined an applicant's need for a loan, the student deals directly with any Canadian chartered bank or credit union. The loan is interest-free while the recipient is a full-time student and for an additional six month period following graduation or discontinuation of studies. The student repays the loan by regular monthly payments over a maximum time period of 9 1/2 years. Interest charged is set on August 1 of each year and is constant throughout the repayment period. Student Financial Services applies federal administrative criteria to determine the applicant's financial need. If there is a significant change in the student's financial circumstances or those of his or her parents, the student may request that the loan be reassessed.

Table 1 lists the numbers and amounts of Canada Student Loans authorized during 24 years of operation.

Table 1

Summary of Canada Student Loans

Year	Number of Loans	Amount Authorized
1964-65	2,992	$1,888,445
1965-66	4,866	3,317,604
1966-67	5,965	4,543,085
1967-68	7,377	5,980,941
1968-69	8,282	6,564,848
1969-70	9,747	8,591,290
1970-71	10,318	8,949,955
1971-72	9,262	7,671,005
1972-73	8,111	7,067,227
1973-74	7,349	6,413,481
1974-75	5,736	5,594,950
1975-76	5,708	5,328,719
1976-77	5,268	5,436,920
1977-78	5,543	7,325,835
1978-79	5,776	7,884,095
1979-80	4,852	6,704,975
1980-81	5,393	7,812,560
1981-82	5,401	8,676,795
1982-83	6,511	11,650,995
1983-84	8,654	19,628,755
1984-85	9,441	22,513,162
1985-86	10,060	27,133,520
1986-87	15,293	43,274,015
1987-88	18,078	52,506,182

Part-Time Canada Student Loans Program

Student Financial Services also administers the Part-time Canada Student Loans Program which is funded by the federal government. Under this program a part-time student may borrow up to $2,500. Repayment begins 30 days after negotiation of the loan.

Table 2 lists the numbers and amounts of part-time Canada Student Loans authorized during five years of operation.

Table 2

Summary of Part-Time Canada Student Loans

Year	Number of Loans	Amount Authorized
1983-84	9	$7,770
1984-85	18	16,021
1985-86	26	24,191
1986-87	49	61,450
1987-88	82	83,670

Saskatchewan Student Loans Program

Student Financial Services is responsible for the assessment, administration, payment and collection of loans authorized under the Saskatchewan Student Loans Program.

A newly defined Saskatchewan Student Loans Program was introduced on August 1, 1987, which consolidated the Saskatchewan Student Bursary Program, the Special Incentive Bursary Program, the former Saskatchewan Student Loans Program and the Saskatchewan Supplementary Loans Program under one umbrella.

All program criteria have been standardized to those of the Canada Student Loans Program. Formerly, each provincial program had its own set of complex requirements. The common set of criteria simplifies the assessment process and makes the program easier for students to understand.

Other changes included introduction of a requirement that students borrow the maximum Canada Student Loan before Saskatchewan assistance becomes available, and the conversion of bursaries to forgivable loans available only to high need and Special Incentive (disadvantaged) students. The amount of maximum weekly assistance remained constant.

The program provides eligible post-secondary students with loans to a maximum of $145 per week of study for courses more than 11 weeks in duration. Up to $75 per week is provided for post-secondary courses that are between 4-11 weeks in duration, and are part of a longer program of study.

Students enrolled in Adult Basic Education (ABE) courses at the Saskatchewan Institute of Applied Science and Technology or at any of Saskatchewan's regional colleges are also eligible for Saskatchewan Student Loan Program assistance. Students may receive up to $145 per week of study through the program, and additional assistance of up to $105 per week of study to replace Canada Student Loans assistance which is not available to ABE students.

Loans are interest-free while the recipient is a full-time student and for an additional six month period following graduation or discontinuation of studies. Students repay the loans in regular monthly installments directly to the Student Aid Fund. Interest charged is the same as for Canada Student Loans, although the Interest Write Down Plan may apply.

In 1987-88 a total of $33,685,619 was authorized to 13,310 students through the Saskatchewan Student Loan Program. Table 3 lists the numbers and amounts of loans provided through the provincial program over its 17 years of operation. This includes all loans made under the former Saskatchewan Student Loans Program, assistance provided through the Saskatchewan Supplementary Loans Program introduced in 1986-87, and all repayable and forgivable loans available under the Saskatchewan Student Loans Program umbrella introduced in 1987-88.

Table 3 lists the numbers and amounts of Saskatchewan Student Loans during 17 years of operation.

Table 3

Summary of Saskatchewan Student Loans

Year	Number of Loans	Amount Authorized
1971-72	231	$184,356
1972-73	506	314,597
1973-74	451	312,218
1974-75	459	317,104
1975-76	176	138,790
1976-77	92	69,755
1977-78	98	104,815
1978-79	136	137,960
1979-80	42	54,126
1980-81	71	62,855
1981-82	27	25,630
1982-83	14	12,730
1983-84	349	509,025
1984-85	380	584,920
1985-86	437	673,535
1986-87*	16,115	21,212,040
1987-88**	13,310	33,685,619

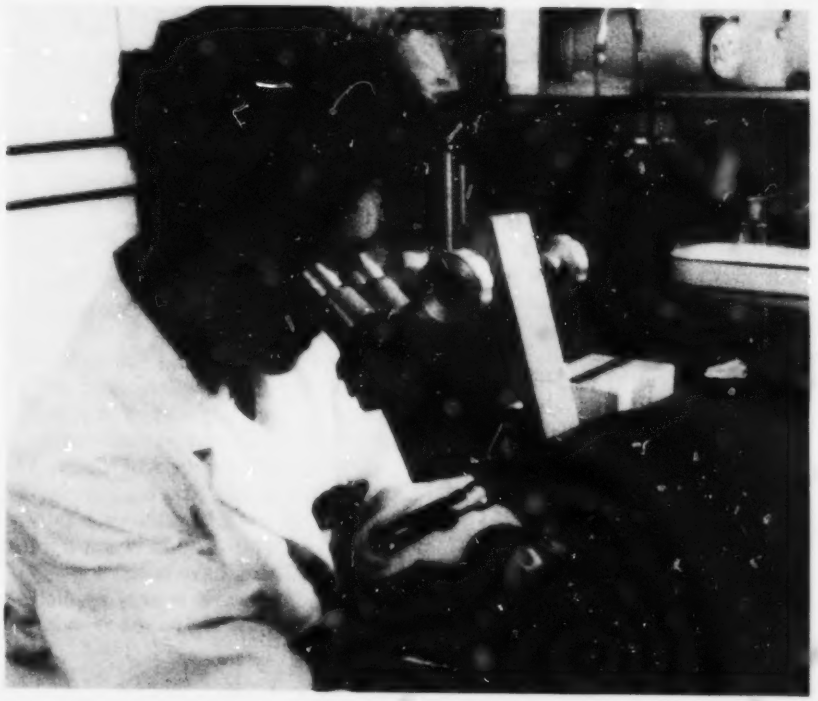
* Introduction of Saskatchewan Supplementary Loans Program. This number represents the total of the Saskatchewan Supplementary Loans Program and the former Saskatchewan Student Loans Program.
** Introduction of forgivable loans.

Special Incentive Program

Loan Supplements

A Special Incentive Supplement was introduced in 1983-84 to further assist qualifying high need disadvantaged students with additional amounts of bursary assistance. Currently a maximum of $110 per week of study is available. Students must be eligible for further assistance based on a needs assessment in excess of the maximum assistance available to regular students. Effective August 1, 1987, along with the Saskatchewan Student Bursary Program, the Supplement was converted to a forgivable loan.

Students eligible for assistance through the Special Incentive Program must be custodial single parents, non-status Indians or Metis, disabled as defined by the Vocational Rehabilitation of Disabled Persons Program, or accepted into the Special Incentive Program for Northerners under the criteria of the Northern Careers Program.



Supplementary loans are available only for studies at designated Saskatchewan institutions, unless a student's disability requires out of province study. The supplement is only eligible for forgiveness for approved Adult Basic Education and for the first five years of post-secondary study.

Loan Remission

Loan Remission for Special Incentive students was introduced in 1983-84 to encourage entry of certain disadvantaged students into post-secondary education.

These students are eligible for provincial remission subsidies for all or a portion of their repayable student loans as follows:

- 100% of Canada Student Loan and Saskatchewan Student Loan for a student's first year of post-secondary study;
- 50% for a student's second year; and,
- 100% for all years of Saskatchewan Student Loan approved for Adult Basic Education.

Qualified students must successfully complete at least 60% of a full course load during their approved period of study. They must also apply for remission benefits within six months after each period of study. The total subsidy for both the Canada Student Loan and Saskatchewan Student Loan portion is applied first to amounts owing to the province.

In 1987-88 a total of $3,589,547 of remission subsidies was approved for 865 students. Table 4 lists the numbers and amounts of loan remission to Special Incentive students since the program was implemented in 1983-84.

Table 4

Summary of Approved Remission Subsidies on Canada Student Loans and Saskatchewan Student Loans*

Year	Number of loans	Total Amount
1984-85	184	$461,413
1985-86	248	592,327
1986-87	259	703,577
1987-88	865	3,589,547

* Saskatchewan Student Loans include the former Saskatchewan Student Loans Program, Saskatchewan Supplementary Loans Program, and the new Saskatchewan Student Loans Program.

Forgivable Loans

On August 1, 1987, bursaries were converted to forgivable loans and targeted only to high need and disadvantaged students.

The forgivable portion of the Saskatchewan Student Loans Program is as follows:

- any amount of Saskatchewan Student Loans over $75 per week for post-secondary students, to a maximum of $70 per week;
- any amount of Saskatchewan Student Loans over $180 per week for Adult Basic Education students, to a maximum of $70 per week; and,
- any amount of Special Incentive Loan Supplement up to a maximum of $110 per week available only to Special Incentive students.

As was the case with bursaries, forgivable loans are only available for the first five years of post-secondary study, and for approved Adult Basic Education. Students must successfully complete at least 60% of a full course load during their approved period of study. They must also apply for forgiveness within six months after each period of study. The subsidy is not applied until all loans have been consolidated, and is only applied to the amount owing to the province.

In 1987-88 a potential $10,169,328 of assistance authorized to 4,140 students was eligible for forgiveness. Since application cannot be made until successful completion of the approved period of study, the numbers and amounts of loans forgiven will be determined during the coming reporting year.

Interest Write Down Plan

The Interest Write Down Plan was introduced on May 1, 1986. The plan is available to students taking loans authorized by Saskatchewan Education for courses commencing between May 1, 1986 and July 31, 1989.

Under the plan, a subsidy is provided equal to writing down the interest charges on provincial and federal loans to 6% for the first three years of a standard repayment period. The subsidy is applied first to the balance outstanding for provincial loans and then, if applicable, to the balance outstanding for Canada Student Loans.

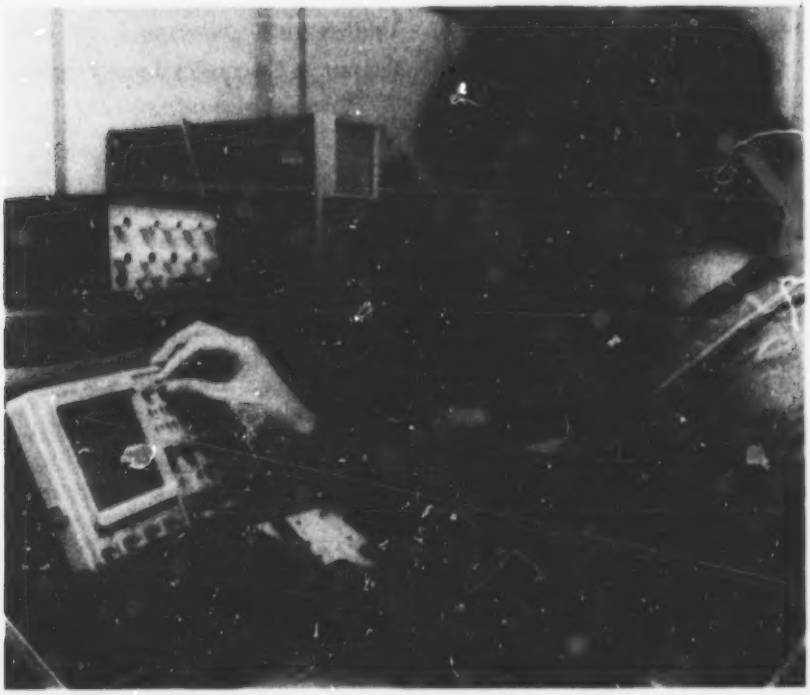
In 1987-88 a total of 6,050 students received subsidies totalling $2,160,873. Since 1986-87 a total of $148,754,616 in assistance has been authorized that is eligible for the interest write down subsidy.

Interest Relief Plan

A new Interest Relief Plan was introduced in 1987-88. The plan is available to qualified students who are having difficulty repaying their Saskatchewan Student Loans due to unemployment, temporary disability, or other extenuating circumstances.

Under the plan, up to eighteen months of additional interest free status can be obtained. No payments are required during this time.

Sixty-eight students received interest and repayment relief through the plan in 1987-88.



Scholarship, Bursary and Loan Committee

The Scholarship, Bursary and Loan Committee is appointed by the Minister of Education and makes recommendations to the Minister regarding student assistance. The committee includes representatives from educational institutions, student unions and government.

Appeals

An Appeals Sub-Committee of the Scholarship, Bursary and Loan Committee is in place to review instances where students applying for student assistance may have extenuating circumstances. If the sub-committee determines the circumstances are extenuating and are not contrary to program criteria, further assistance may be recommended.

A total of 708 appeal cases were reviewed during 1987-88. In 397 of these cases the sub-committee recommended that additional assistance be granted.

Audit and Verification

All information requested from applicants for the purpose of obtaining student financial assistance is subject to audit and verification. The provision of misleading information by the applicant, spouse, parent(s) or guardian(s) may result in prosecution under both the Canada Student Loans Act and the Student Assistance and Student Aid Fund Act, 1985.

Scholarship and Award Programs

The Saskatchewan Student Aid Fund also provides support to a variety of scholarship and award programs, in conjunction with other departments and agencies. Funds were provided to the following programs in 1987-88.

Saskatchewan Education Scholarships and Bursaries

University Scholarships

Each year funds are allocated from the Student Aid Fund to Saskatchewan's two universities for undergraduate and graduate scholarships. In 1987-88 awards totalling $803,188 were granted to 677 students at the University of Regina, and a total of $4,603,036 was granted to 1,389 students at the University of Saskatchewan.

Technical Institute Scholarships

Technical institute scholarships of $500 per student for certificate programs and $1,000 per student for diploma programs were granted at campuses of the Saskatchewan Institute of Applied Science and Technology (SIAST). Technical institute entrance scholarships of $750 per certificate program student and $1,500 per diploma program student were also available. These scholarships are intended to attract top high school graduates to SIAST and recognize their academic achievement. A total of $162,800 in scholarships was awarded to 315 students in 1987-88.

D. R. Simmons Memorial Scholarships

Two D. R. Simmons Memorial Scholarships of $500 are available annually to graduating Grade 12 students of Indian or Metis ancestry.

James Dickson Scholarship

One James Dickson Scholarship of $500 is available annually to a graduating Grade 12 student of black ancestry.

Doreen Kronick Scholarship

One Doreen Kronick Scholarship of $500 is available annually to recognize the scholastic achievement of a post-secondary education student majoring in the field of special education for exceptional children. Saskatchewan Education will award an additional $500 if the recipient is a Saskatchewan resident attending a Saskatchewan university.

Queen Elizabeth II Scholarship

The Queen Elizabeth II Scholarship was announced during the October, 1987 visit by the Queen and the Duke of Edinburgh as a gift to Her Majesty from the province. The $10,000 scholarship will be awarded annually for graduate study of Saskatchewan politics and government, beginning in 1988-89. It is open to Canadian citizens and landed immigrants for use at either of Saskatchewan's universities.

Fuhrmann Emergency Loan Program

This program was established with a $12,000 donation from the Furhmann family of Regina. It provides short-term loans of up to $400 per student for full-time studies at SIAST. The loans are interest-free if repaid within 90 days.

Table 5 lists the amounts awarded during the program's thirteen years of operation.

Table 5

Fuhrmann Emergency Loan Program Awards

Year	Total Amount
1975-76	$2,415
1976-77	5,155
1977-78	7,958
1978-79	6,025
1979-80	19,985
1980-81	16,128
1981-82	13,065
1982-83	11,325
1983-84	11,515
1984-85	9,675
1985-86	8,460
1986-87	12,600
1987-88	7,500

General Proficiency Awards

Awards of $200 per student are provided to Grade 12 graduates with high scholastic standing. Each high school is allocated one award for every 11 students enrolled in Grade 12. A total of $254,400 was awarded to 1,272 students in 1987-88.

French Language Teacher Bursary Plan

Awards are available to teachers taking university classes that will improve their techniques in the teaching of French. In 1987-88 there were 95 bursary units awarded totalling $119,220. Expenditures were reimbursed by the federal Secretary of State.

French Language Study Fellowships/Travel Bursaries

Fellowships to a maximum of $3,000 are available to full-time students enrolled in post-secondary programs offered in French. The travel bursary defrays transportation costs for students in French language courses at approved universities outside Saskatchewan.

Three hundred ninety-six units totalling $322,828 were granted in 1987-88. The Student Aid Fund was reimbursed by the federal Secretary of State.

Teacher Upgrading Bursaries

This program provides bursaries of up to $600 each to help teachers obtain training in specialized fields where there is a shortage of qualified teachers, or where there is a new program thrust. One hundred seventy-three bursary units totalling $52,110 were awarded in 1987-88.

Bursaries for Teachers of the Hearing Impaired, Visually Impaired or Multiply Handicapped

This program encourages training for the teaching of hearing impaired, visually impaired or multiply handicapped people. The bursaries are offered through a joint agreement between Saskatchewan and British Columbia, and can only be used at the University of British Columbia for the specified diploma programs. The value of the bursaries is $5,000 for a recipient with dependents and $4,000 for a recipient with no dependents. Payments are made in $500 installments. In 1987-88 one student received $3,500 in bursaries.

Saskatchewan Health

Paramedical Bursaries

Saskatchewan Health is provided with bursary assistance to encourage the training of students in selected health professions in which the supply of qualified personnel in the province is very short. The bursaries can be used for tuition, books, living allowances and transportation. A return-services commitment is attached to these bursaries. In 1987-88, a total of $337,751 was awarded to 83 students.

Saskatchewan Agriculture

Veterinary Medicine Fellowships

Students enrolled in post-graduate veterinary medicine at the University of Saskatchewan, particularly in the area of food-animal practice, are eligible for fellowships to cover tuition, books and living expenses. A return services commitment is attached to these scholarships. In 1987-88 a total of $24,490 was awarded to two students.

Saskatchewan Research Council

The Saskatchewan Research Council provides annual grants of $11,250 per student to three graduate students at the University of Regina or the University of Saskatchewan. These grants are made available to students undertaking research projects closely related to the work of the Council.

Saskatchewan Social Services

Saskatchewan Social Services provides bursaries to employees of non-government social services agencies who are seeking further training in social work, human justice or administration. These bursaries cover a percentage of the cost of tuition, books, transportation and living expenses. For each month of training provided, recipients must return to work for two months with the social services agency in which they were previously employed. A total of $20,045 was awarded to three students in 1987-88.

Table 6

Summary of Awards, 1987-88

	Amount
Canada Student Loans	$52,506,182
Part-Time Canada Student Loans	83,670
Saskatchewan Student Loans	33,685,619
Special Incentive Program: Loan Remission	3,589,547
Interest Write Down	2,160,873
Saskatchewan Education	763,958
Saskatchewan Institute of Applied Science and Technology	162,800
University of Saskatchewan	4,603,036
University of Regina	803,188
Saskatchewan Health	337,751
Saskatchewan Agriculture	24,490
Saskatchewan Research Council	33,750
Saskatchewan Social Services	20,045

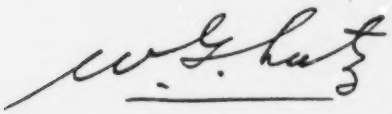
Provincial Auditor's Report

To the Members of the Legislative Assembly
Province of Saskatchewan

I have examined the balance sheet of the Saskatchewan Student Aid Fund as at March 31, 1988 and the statements of revenue, expenditure and unrestricted fund balance and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at March 31, 1988 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan
July 21, 1989



W. G. Lutz, F. C. A.,
Provincial Auditor.

Financial Information

Statement 1
Saskatchewan Student Aid Fund
Balance Sheet
(As at March 31)

Assets	1988	1987
Bank and short-term investments	$ 8,933,063	$ 4,367,059
Accrued interest on investments	101,439	92,206
Accrued interest on loans	178,395	96,019
Reimbursements and other receivables	602,208	580,987
Loans receivable (Note 3)	35,584,925	2,748,795
Investment in bonds (market value 1988 - $2,120,403; 1987 - $2,863,907)	2,255,000	2,795,000
	$47,655,030	$10,680,066

Liabilities and Fund Balances

Liabilities:		
Loan remissions payable	$ 530,206	$ 719,573
Due to consolidated fund (Note 4)	44,092,841	—
Accrued interest write-down grants	15,010,868	—
	$59,633,915	$ 719,573
Fund Balances:		
Restricted		
Transfer from School Lands Fund (Note 6)	2,000,000	2,000,000
Transfer from Education Fund (Note 6)	1,000,000	1,000,000
Contribution for loans from legislative appropriations	656,500	656,500
Queen Elizabeth II Scholarship Fund	24,000	24,000
Fuhrmann Emergency Loan Fund	12,000	12,000
Peter D. Stewart Scholarship	300	300
	3,692,800	3,692,800
Unrestricted fund balance (Statement 2)	(15,671,685)	6,267,693
	(11,978,885)	9,960,493
	$47,655,030	$10,680,066

(See accompanying notes to the financial statements)

Statement 2
Saskatchewan Student Aid Fund
Statement of Revenue, Expenditure and Unrestricted Fund Balance
(Year ended March 31)

Revenue	**1988**	**1987**
Department of Education		
— student assistance grant	$ 13,433,855	$ 22,991,360
Interest		
Investments	521,502	662,304
Student loans	216,119	120,002
Federal reimbursements		
Second language program	442,048	358,856
Bursary repayments by other agencies	140,587	157,264
	14,754,111	24,289,786
Expenditure		
Bursaries and scholarships awarded — (Schedule 1)		
Department of Education	8,496,887	15,541,878
Other agencies	5,822,260	5,103,845
	14,319,147	20,645,723
Interest write-down grants	17,175,539	—
Provision for doubtful accounts	5,198,803	642,720
	36,693,489	21,288,443
Surplus (deficit) for the year	(21,939,378)	3,001,343
Unrestricted fund balance, beginning of year	6,267,693	3,266,350
Unrestricted fund balance, end of year - to Statement 1	$(15,671,685)	$ 6,267,693

(See accompanying notes to the financial statements)

Statement 3
Saskatchewan Student Aid Fund
Statement of Changes in Financial Position
(For the Year ended March 31)

	1988	1987
Cash provided by (used in) operating activities		
Surplus (deficit) for the year	$(21,939,378)	$3,001,343
Change in non-cash working capital items:		
Increase in accounts receivable	(32,948,960)	(295,316)
Increase in accounts payable	14,821,501	190,243
Cash provided by (used in) operating activities	(40,066,837)	2,896,270
Cash provided by financing activities		
Consolidated fund loan proceeds	44,092,841	—
Cash provided by investing activities		
Proceeds from investments maturing	540,000	875,000
Net increase in cash position during the year	4,566,004	3,771,270
Cash and short term investments, beginning of year	4,367,059	595,789
Cash and short term investments, end of year	$ 8,933,063	$4,367,059

(See accompanying notes to the financial statements)

Saskatchewan Student Aid Fund
Notes to Financial Statements

(March 31, 1988)

1. Significant Accounting Policies

These financial statements are prepared in accordance with the following accounting policies which are considered appropriate for organizations of this type.

a) Loan Awards

Under the terms of the Saskatchewan Student Loan Program, student loans are provided to qualifying individuals. These loans are made at interest rates prescribed by the Minister of Education and are interest free until repayment is required.

Interest write-down grants are provided to borrowers who receive loans for studies commencing between May 1, 1986 and July 31, 1989. The amount of each grant is equivalent to the difference between what the interest cost would have been on loans:

i) at the normal interest rate, for a specified term; and,
ii) at the rate of 6%, over the same term.

Each grant is expensed and an accrued liability is recorded at the time an eligible loan is awarded. Grants are applied to outstanding loan balances when the repayment period begins.

In addition to the interest write-downs described above, the Fund also provides interest write-down grants on loans under the Canada Student Loan Program. The estimated cost of these interest write-down grants is expensed and a corresponding liability is established at the time a loan is authorized by the Department of Education. When loan repayment commences, the grant is used to reduce an individual's Saskatchewan Student Loan, then their Canada Student Loan, with any remainder being paid directly to the individual.

b) Loan Repayments

Loans receivable become repayable after a six-month period following discontinuance of studies or graduation. Payments on loans are first applied to interest, then to outstanding loan principal.

Simple interest is charged on loans following the interest-free period.

c) Other Assistance

Bursaries and scholarships awarded are subject to the condition that students must be in full-time attendance on the date the awards are issued and, in certain instances, there is a service commitment to the Province. When the conditions are not met by the student, all or a portion of the bursary or scholarship is recoverable from the student. Bursaries and scholarships awarded by the Department of Education, when deemed recoverable, are recorded as receivables of the Fund.

d) Investments

Investments in bonds are carried at par value while short-term investments are carried at cost. Premiums or discounts on the purchase of long-term securities are charged to expenditure or recorded as revenue in the year of purchase. Interest on investments is recorded on the accrual basis.

e) Loan Remissions

Special Incentive Loan Remissions are granted when students meet the obligations specified by the Student Aid Fund guidelines, and their application for remission is approved. Upon approval, remission grants are expensed and set up as payable. The grants payable are applied at loan consolidation, first to Saskatchewan Student Loans, then to Canada Student Loans and any remainder is paid directly to the student.

2. Authority

The Saskatchewan Student Aid Fund operates under the authority of The Student Assistance and Student Aid Fund Act, 1985. It is administered by the Department of Education.

3. Loans Receivable

		1988	1987
Loans outstanding, beginning of year		$ 3,477,906	$1,578,471
Add:	New loans during the year	44,003,831	2,162,090
	Payout of credit balances	820,940	—
	Adjustments	11,274	—
Deduct:	Interest write-down grants	(2,160,873)	—
	Special incentive grants	(1,796,961)	—
	Loan repayments received	(1,180,442)	(244,085)
	Cancellations of new loans	(62,300)	—
	Loans written off	(16,079)	(17,660)
	Adjustments	—	(910)
		43,097,296	3,477,906
Less:	Allowance for uncollectible loans	(5,851,524)	(665,928)
	Loan remissions applied against outstanding receivables	(1,660,847)	(63,183)
Loans outstanding, end of year		$35,584,925	$2,748,795

4. Due to the Consolidated Fund

On March 31, 1988, the Fund purchased all outstanding student loans held by the Department of Education. The purchase was financed by a loan from the Consolidated Fund. The loan is non-interest bearing and there are no fixed terms of repayment.

Subsequent to the year end, terms and conditions of the loan were established allowing for interest to be charged on the outstanding balance beginning April 1, 1989, and interest and principal repayments to be made periodically.

5. Related Party Transactions

In accordance with established government practice, the Department of Education bears all administrative, occupancy and loan collection costs. Accordingly no provision for these costs is reflected in these financial statements.

6. Subsequent Events

Subsequent to the year end, amendments were made to The Student Assistance and Student Aid Fund Act, 1985. The Fund is no longer required to separately maintain the Transfer from School Lands Fund and the Transfer from Education Fund. These funds will become part of the unrestricted fund balance in 1988-89.

7. Comparative Figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

Schedule 1
Saskatchewan Student Aid Fund
Schedule of Bursaries and Scholarships Awarded
(Year Ended March 31)

	1988	1987
Bursaries and scholarships awarded by the Department of Education		
Saskatchewan Student Bursary/Special Incentive Bursary Program	$ 4,035,972	$13,999,976
Saskatchewan Special Incentive Loan Remissions	3,534,157	671,867
General proficiency awards	254,400	250,200
Saskatchewan Institute scholarships	162,800	145,930
Teacher education bursaries	52,110	90,465
Suntep start-up bursaries	11,400	—
Second language program scholarships	442,048	373,440
Bursaries to Teachers of Handicapped	3,500	9,000
Don Simmons Memorial award	500	1,000
	8,496,887	15,541,878
Bursaries and scholarships awarded by other agencies		
University of Saskatchewan	4,603,036	3,967,080
University of Regina	803,188	705,935
Department of Health	337,751	355,796
Saskatchewan Research Council	33,750	33,750
Western College of Veterinary Medicine	24,490	14,281
Department of Social Services	20,045	27,003
	$5,822,260	5,103,845
	$14,319,147	$20,645,723